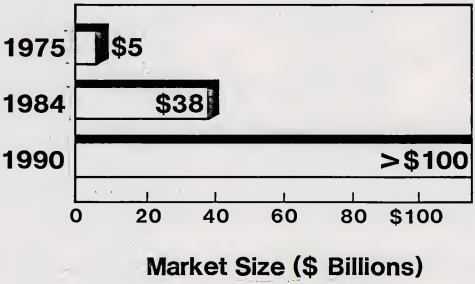
EXHIBIT II-1

MARKETING METHODS THAT BOOST SALES

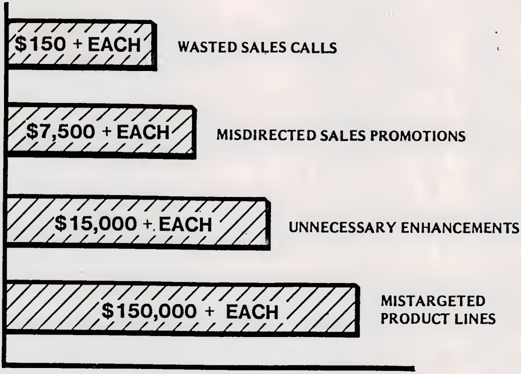
- **$81 Billion Opportunity**
- **Complex, Rapidly Changing Marketplace**
- **The Question: How to Shift to Market-driven Strategies**
- **Research Scope**
  - **Characteristics of Good Marketing**
  - **Examples**
  - **How to Recognize and Act on Opportunities**
  - **Suggested Methods, Tools, and Techniques**

U.S. INFORMATION SERVICES INDUSTRY

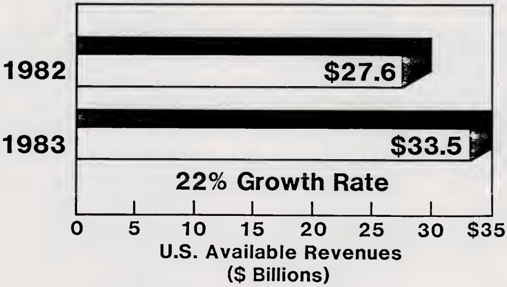


INPUT

MARKET STRATEGIES CONTINUOUSLY DRIFT OFF TARGET

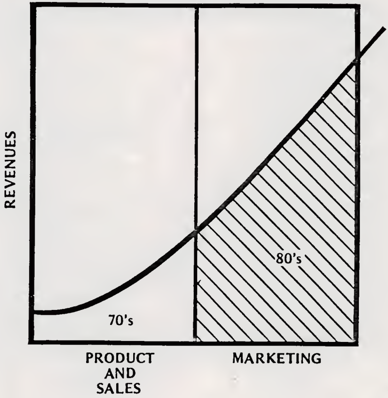


INDUSTRY PERFORMANCE

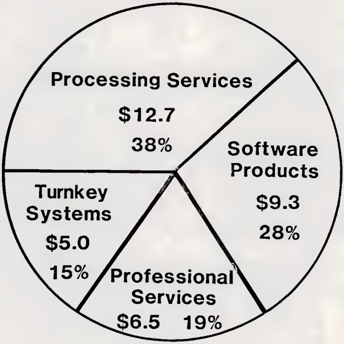


EFFECTIVE MARKETING IS THE KEY

STAGES OF DP VENDOR
MANAGEMENT FOCUS

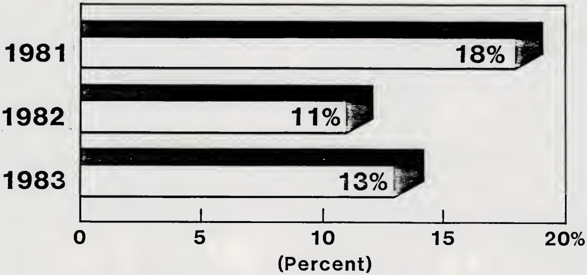


INDUSTRY SIZE
(By Mode of Delivery)
1983

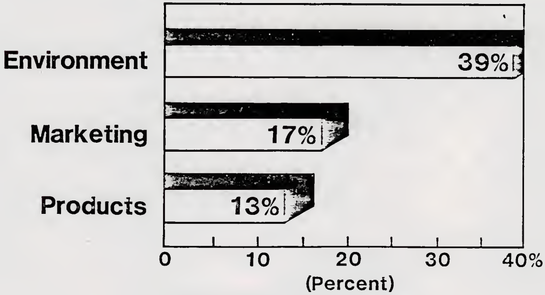


($ Billions)

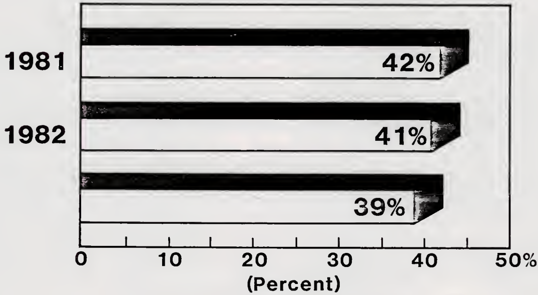
ANNUAL REVENUE GROWTH

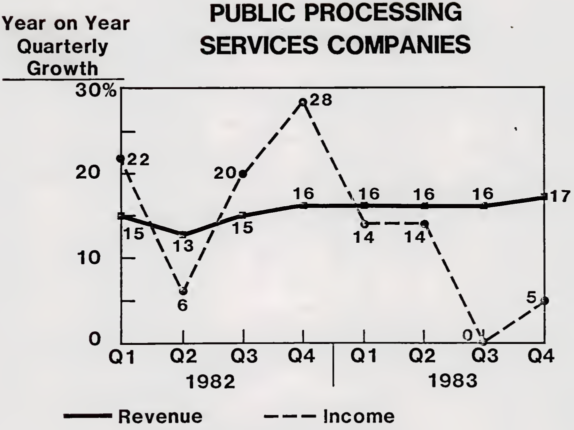


FACTORS SUPPORTING GROWTH PROCESSING SERVICES

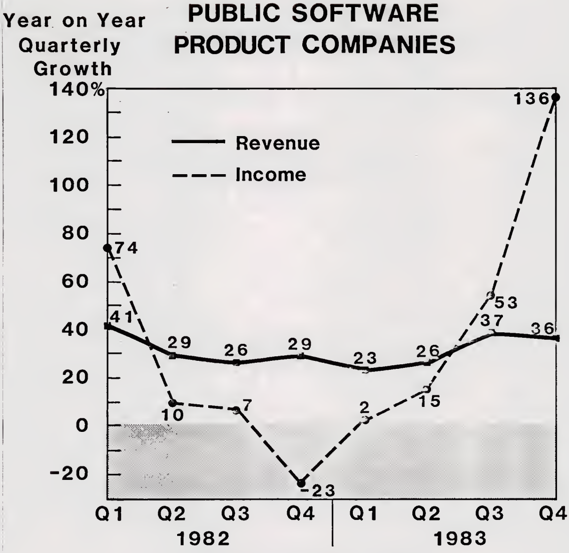


ANNUAL REVENUE GROWTH

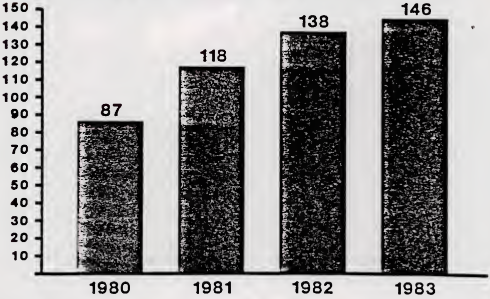



PUBLIC PROCESSING SERVICES COMPANIES
Year on Year Quarterly Growth
30%
20
10
0
22
6
20
28
14
14
0
5
15
13
15
16
16
16
16
17
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
1982
1983
Revenue
Income

PUBLIC SOFTWARE PRODUCT COMPANIES



NUMBER OF TRANSACTIONS

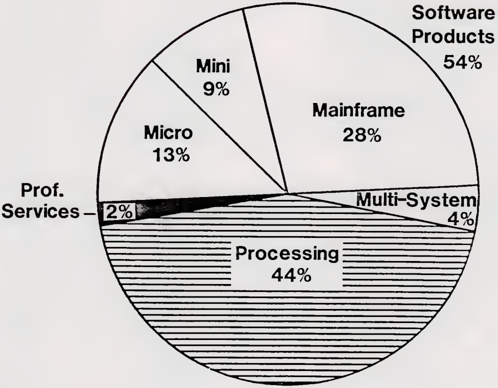


	1980	1981	1982	1983
AVERAGE	7.9	6.5	3.2	6.9
MEDIAN	1.4	1.5	1.2	2.5

Broadview Associates

TOTAL VALUE

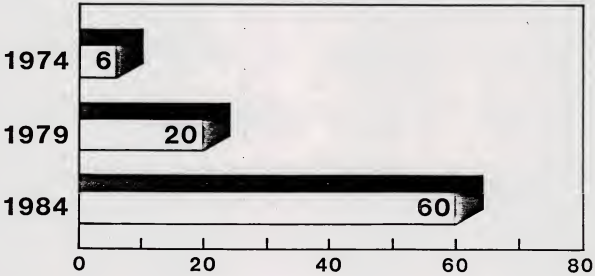
1983



Total
$1.01 Billion

Broadview Associates

U.S. COMPANIES ANNUAL REVENUES OVER $100 MILLION



EXAMPLE OF CHANGE

1900 – WHICH POWER SOURCE TO SELECT FOR AUTOMOBILE?

- Electric
- Steam
- Gasoline

INPUT

CHARACTERISTICS

	ELECTRIC	STEAM	GAS
Reliability	Good	Good	Poor
Noise	Good	Good	Poor
Vibration	Good	Medium	Poor
Fuel Availability	Medium	Good	Poor

INPUT

CHARACTERISTICS

	ELECTRIC	STEAM	GAS
Starting	Good	Poor	Good
Power	Good	Good	Poor
Range	Poor	Good	Medium
Speed	Good	Good	Poor
Other Use	Good	Good	Poor

INPUT

The Winner –

Electric Power!

INPUT

But – by 1910

Gasoline Dominated

What Happened?

CHANGES:

- Interchangeable Parts (Leland)
- Rural Market (Ford)
- Multiple Cylinders
- Fuels Improved

INPUT

Gas Solved Its Problems Steam/Electricity Did Not

INPUT

LESSONS

- Watch for Market and Technology Innovations
- Look for "Unrelated" Changes
- Understand Innovation

INPUT

"THE MARKETING CONCEPT"

CHARACTERISTICS

- WAY OF DOING BUSINESS
- INVOLVES
    - -CUSTOMER FOCUS
    - -LONG-TERM OUTLOOK
    - -INTEGRATED SYSTEMS APPROACH
- REQUIRES COMPANY-WIDE IMPLEMENTATION

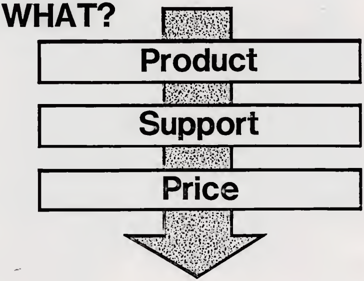
MARKETING IS A DECISION PROCESS

- MARKETING IS NOT SELLING
- MARKETING IS NOT A DEPARTMENT
- MARKETING IS DECIDING - - -
  - WHO TO SELL
  - WHAT TO SELL
  - HOW TO SELL

COMMON DEFICIENCIES

- No Segment Priorities
- No Recent Segmentation of:
    - Customers
    - Lost Sales
    - Lost Prospects
    - Prospects
- Incomplete Competitive Information
- No Formal Market Data Collection

MARKET STRATEGY



WHAT?

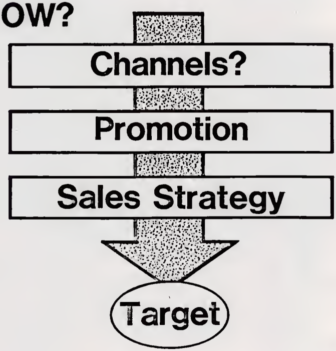
Product

Support

Price

MARKET STRATEGY

HOW?



Channels?

Promotion

Sales Strategy

Target

PRODUCT AND SALES THINKING VERSUS MARKETING THINKING

PRODUCT FIRST	MARKET NEEDS FIRST
SALES REVENUES	PROFIT PLANNING
TODAY, THIS MONTH	LONG TERM TRENDS, OPPORTUNITIES AND THREATS
SELL ANYONE	SEGMENT PRIORITIES
INDIVIDUAL EFFORT	GOOD SYSTEMS FOR ANALYSIS, PLANNING AND CONTROL

INPUT

EXHIBIT II-3

DELIBERATE SALES PROMOTION STRATEGIES PAY OFF

- **Today's Noisy Marketplace Demands More Aggressive Sales Promotion**
- **Rewards Abound**
- **Characteristics of Effective Sales Promotion:**
  - **Viewed as a Strategic Activity**
  - **Ongoing Commitment**
  - **Includes Measurement Methods**

EXHIBIT II-6

CUSTOMER SERVICE IS A MAJOR MARKETING OPPORTUNITY

- **Full Revenue Potential Often Overlooked**
- **Expand Scope of Services:**
  - **Supplies**
  - **Environment Planning**
  - **Site Audits**
  - **System Consulting**
- **Other Actions to Consider:**
  - **P&L Center**
  - **Reevaluate Pricing**
  - **Apply Latest Technologies**

EXHIBIT II-4

EFFECTIVE PRODUCT POSITIONING DEMANDS EARLY DETECTION

- Market Selection Decisions Are #1
- Strategies Vary but Results Are Dramatic
- Characteristics of Effective Product Positioning:
  - Early Detection
  - Explicitly Defined Strategies
  - Integrated Products
  - Early Launch

DECISION FACTOR RATINGS
(ALL CUSTOMERS)

DECISION FACTOR	RATING
CONFIDENCE	4.4
SOFTWARE	4.0
PRICE	3.8
SUPPORT	3.7
EXPERIENCE	3.4
PROXIMITY	3.1
HARDWARE	2.8
VENDOR SIZE	2.6
DEMO	2.0

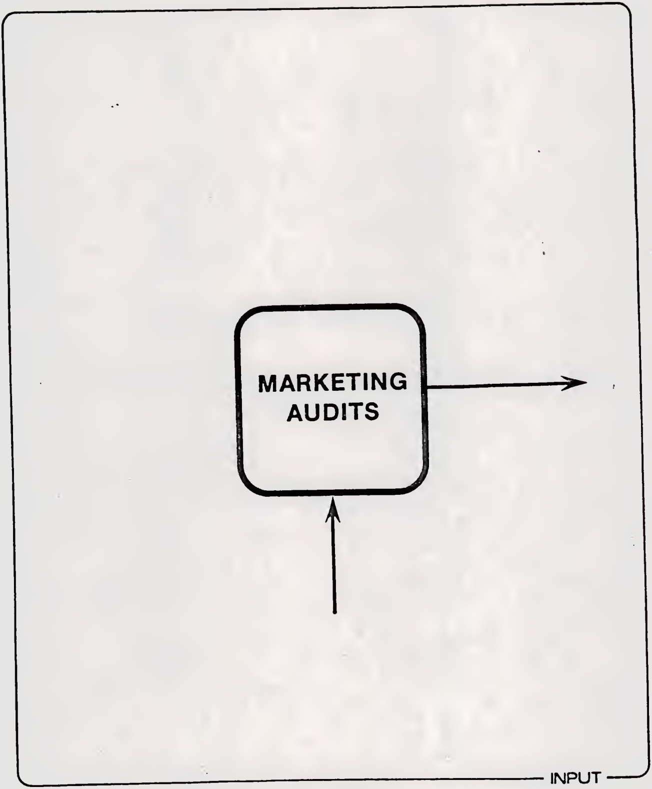
1 = NO IMPORTANCE
5 = VERY IMPORTANT

TOP 3 DECISION FACTORS BY SEGMENT

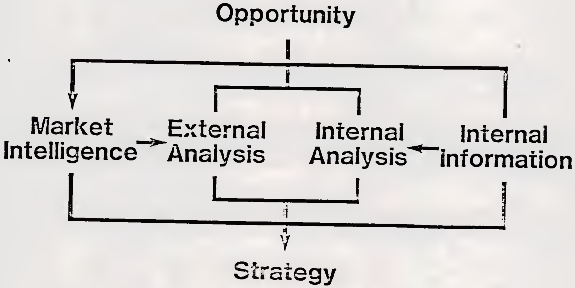
	EXPERIENCED USER	FIRST TIME USER
1.	CONFIDENCE SOFTWARE	PRICE
2.	SUPPORT	CONFIDENCE
3.	PROXIMITY PRICE	HARDWARE SUPPORT

MARKET SEGMENTATION:

- Function
- Industry
- Company Size
- Geography
- Stage of Development
- Type of Person


MARKETING
AUDITS
INPUT

ON TARGET MARKETING$^{\text{T.M.}}$


Opportunity
Market Intelligence
External Analysis
Internal Analysis
Internal Information
Strategy

INPUT

EXHIBIT V-5
RATING SCALE, CUSTOMERS

TOPIC	CRITERIA	SCALE	OUR RATING
CUSTOMER SATISFACTION	Percent of customers classified as being highly satisfied with our product	Over 75% = +2	UNKNOWN
		50% to 75% = 0	
		Under 50% = -2	
CUSTOMER PROFILE DATA	Percent of customers for which we have collected at least three segment variables	Over 75% = [✓ +2]	+2
		50% to 75% = 0	
		Under 50% = -2	
PRODUCT USAGE	Percent of customers using our product "extensively"	Over 75% = +2	UNKNOWN
		50% to 75% = 0	
		Under 50% = -2	
SEGMENT IDENTIFICATION	Extent to which the characteristics of our three main segments have been defined, documented, and communicated	Much = +2	+0
		Some = [✓ 0]	
		Little = -2	
REASONS BOUGHT	Extent to which we are aware of the primary reasons why each customer in the past 12 months has acquired our product	Have formally asked customers = +2	-2
		Have asked sales person = 0	
		Gut feel = [✓ -2]	

EXHIBIT V-6
CUSTOMER ANALYSIS
WORKSHEET SUMMARY

Project GLS

Page 1

Date 3/5

CONCLUSIONS/COMMENTS	IMPACT # O	T	S	W
100% OVER $2 BILLION LACK BANKS, INS. CO. (REGULATED) MIX BETWEEN HQ AND REGIONS MOSTLY PROC. INDUSTRIES 7/20 = OIL 5/20 = AEROSPACE MARKET SATURATED OVER $10B CO. ACTUAL SEGMENTATION DIFFERENT FROM PERCEIVED				

EVALUATION OF DATA AVAILABILITY	EXC.	[✓ GOOD]	FAIR	POOR

ISSUES TO RESOLVE/DATA NEEDED

PRODUCT IMAGE = VERY LARGE COMPANIES
LACK OF REGULATORY FEATURES HURTS?
WHAT INDUSTRIES TCS SELL TO?
WHAT CUSTOMER NEEDS DID WE FULFILL?
CONSOLIDATION FEATURE NOT EMPHASIZED ENOUGH?
CALLING ON $1-5B CO.?

ACTION NEEDS

FURTHER SEGMENTATION OF "OVER $1 BILLION" CO.
LOST PROSPECT ANALYSIS
CUSTOMER NEEDS SURVEY
ANSWERS to ABOVE ISSUES

O = Opportunities, T = Threats, S = Strengths, W = Weaknesses

Form # OTM 1135

COMMON DEFICIENCIES

- No Segment Priorities
- No Recent Segmentation of:
    - Customers
    - Lost Sales
    - Lost Prospects
    - Prospects
- Incomplete Competitive Information
- No Formal Market Data Collection

EXHIBIT V-4

CUSTOMER ANALYSIS
FACTORS LIST

PURPOSE: Our most important business decision is deciding what type of customers to pursue. The customers we actually sell to may or may not be the ones we intended to serve. Therefore, the accuracy and depth of our understanding of their characteristics is fundamental to a realistic appraisal of our opportunities.

FACTORS: An analysis of the following factors can help give us insights concerning who we are really selling and why.

A. CUSTOMER SEGMENTS
   1. Functions/Needs
   2. Groups

B. PRODUCT MODULES ACQUIRED

C. SATISFACTION LEVEL
   1. Product
   2. Support

D. DEGREE OF PRODUCT USE
   1. Volume
   2. Frequency
   3. User Characteristics

E. CUSTOMER'S IMAGE OF US

F. BUYING METHODS
   1. Decision Participants
   2. Buying Criteria
   3. Justification Methods

G. OBJECTIONS AND CONCERNS
   1. Most Frequent
   2. Toughest

H. DEMAND STIMULANTS

I. COMPETITORS CONSIDERED
   1. Strongest
   2. Second Strongest
   3. Third Strongest

J. WHY BOUGHT FROM US INSTEAD OF COMPETITION

K. WHY BOUGHT AT TIME OF CLOSE INSTEAD OF SIX MONTHS EARLIER

L. LEAD SOURCE

M. SALESPERSON

N. CHANGES IN ABOVE CHARACTERISTICS WITHIN-
   1. Past 6 Months
   2. Past 2 Years

O. DIFFERENCES IN PLANNED VERSUS ACTUAL CUSTOMER CHARACTERISTICS

QUICK-AUDIT OF MARKETPLACE SENSITIVITY

INSTRUCTIONS: Marketplace awareness is your ultimate competitive edge. How systematically does your organization monitor changes signaled by your customers, prospects and competition?

You can quickly profile your organization's "marketplace sensitivity" by answering each of the questions below. When you have finished, total up your score and compare it with the Rating Scale.

PRODUCT LINE PROFILED ______________________

	CIRCLE ANSWER			
	MOST OF THE TIME	SOME-TIMES	RARELY	DON'T KNOW
1. *We have clearly defined our Top 3 most important market segments and have documented their characteristics in writing to guide our product, market and sales decisions.*	*3*	*2*	*1*	*0*
2. *We systematically interview our New Customers to discover the real reasons why they bought from us. We document and communicate the results internally.*	*3*	*2*	*1*	*0*
3. *We segment our New Customers at least semi-annually to discover new trends.*	*3*	*2*	*1*	*0*
4. *We systematically interview our major Lost Prospects to discover the real reasons why they didn't buy from us. We document and communicate the results internally.*	*3*	*2*	*1*	*0*
5. *We segment our Lost Prospects at least semi-annually to discover new trends.*	*3*	*2*	*1*	*0*
6. *We can anticipate by at least 60 days the major strategic moves of our main competitors.*	*3*	*2*	*1*	*0*
7. *We have identified our Top 3 most important competitors and have carefully analyzed their business strategy.*	*3*	*2*	*1*	*0*
8. *Our employees actively collect competitive information and forward it to headquarters.*	*3*	*2*	*1*	*0*
9. *Our competitive information is stored in one central place for rapid retrieval and analysis.*	*3*	*2*	*1*	*0*
10. *Most of our market strategy decisions are DATA-based rather than OPINION-based.*	*3*	*2*	*1*	*0*

TOTAL THE POINTS FROM EACH COLUMN ______ + ______ + ______ + ______

ADD ALL FOUR COLUMNS TO GET THE TOTAL SCORE ______________________

RATING SCALE. 27-30 — Excellent
23-26 — Needs Some Attention
Under 23 — Needs Much Attention

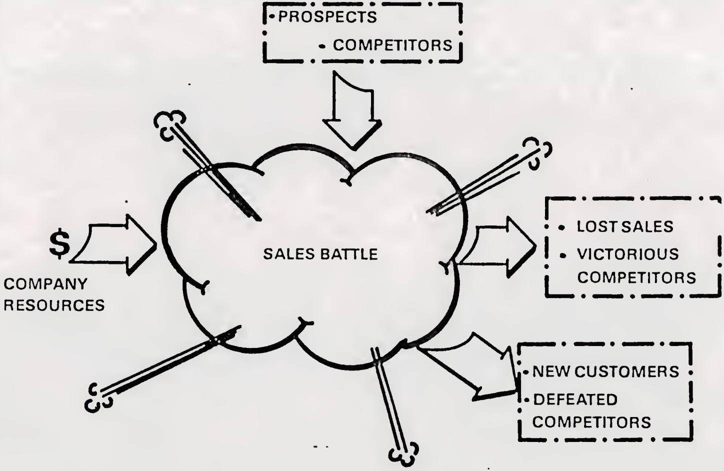
INPUT
1943 Landings Drive
Mountain View, CA 94043
(415) 960 3990

EXHIBIT II-5

MARKETING INTELLIGENCE IS THE ULTIMATE COMPETITIVE EDGE

- **Gut-Feel Decision Making Is Increasingly Obsolete**
- **Marketing Intelligence Is Essential**
- **Characteristics of Good Systems:**
  - **Top Management Commitment**
  - **Multiple Data Sources**
  - **Formalized Competitive Analysis**
  - **Computer Support**

DATA-BASED DECISIONS



- PROSPECTS
- COMPETITORS

$

COMPANY
RESOURCES

SALES BATTLE

- LOST SALES
- VICTORIOUS COMPETITORS

- NEW CUSTOMERS
- DEFEATED COMPETITORS

MARKET INTELLIGENCE

- Customers
- Competitors
- Prospects
- Lost Business

- Government
- Technology
- Economy
- Social Changes
- Distribution

EXHIBIT V-7

EXAMPLES OF MARKETING INFORMATION SYSTEM COMPONENTS

SOURCES

EVENT TRIGGERED

- Contact Report
- Sale
- Lost Sale
- Competitor Moves
- Prospect Identification

TIME TRIGGERED

- Annual Customer Survey
- Lost Prospect Review

EMPLOYEE TRIGGERED

- Competitor Moves
- Prospect Identification

USES

EARLY WARNING

- Product Mix Shift
- Sales Force Productivity Changes
- Sales Cycle Lengthening
- Competitor Strategy Shifts

ANALYSIS

- Promotion Effectivness
- Sales Unit Analysis
- Revenue per Person-Month
- Segment Penetration
- Competitor Strategy

MARKETING DECISIONS

- Customer Needs Selection
- Customer Group Selection
- Product Features
- Customer Support
- Sales Promotion
- Sales Tool Development
- Distribution Channels
- Pricing
- Sales Strategy

DATA ITEMS

CUSTOMERS AND LOST SALES

- Segment Variables
- Decision Criteria
- Decision Participants
- Product Use
- Competing Products
- Product Experience

PRODUCT

- Unit Sales
- Product Mix
- Sales Cycle

PROSPECTS

- Source
- Decision Participant
- Product Interest

SALES FORCE

- Unit Sales
- Product Mix
- Product Gaps
- Activity Frequency

CONCLUSIONS

INPUT

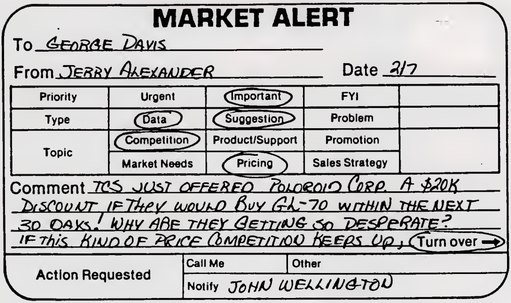
EXHIBIT II-7

RECOMMENDATIONS

- **Sell Marketing**
- **Incorporate Characteristics of Successful Marketing Methods:**
  - **Top Management Support**
  - **Major Resource Commitments**
  - **Systematic Market Intelligence Gathering**
  - **Measurement of Results**
- **Use Marketing Audits to Uncover Opportunities**

EXHIBIT V-8

MARKET ALERT CARD



MARKET ALERT

To GEORGE DAVIS

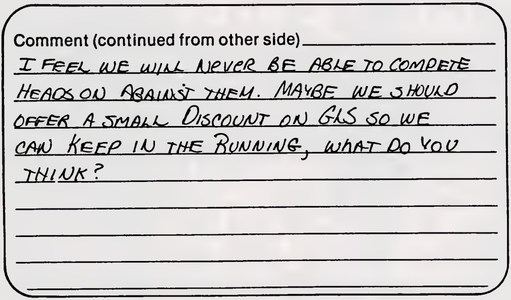
From JERRY ALEXANDER

Date 2/7

Priority	Urgent	[✓ Important]	FYI	
Type	[✓ Data]	[✓ Suggestion]	Problem	
Topic	[✓ Competition]	Product/Support	Promotion	
	Market Needs	[✓ Pricing]	Sales Strategy	

Comment TCS JUST OFFERED POLOROID CORP. A $20K DISCOUNT IF THEY WOULD BUY GL-70 WITHIN THE NEXT 30 DAYS! WHY ARE THEY GETTING SO DESPERATE? IF THIS KIND OF PRICE COMPETITION KEEPS UP, Turn over →

Action Requested
Call Me
Other
Notify JOHN WELLINGTON

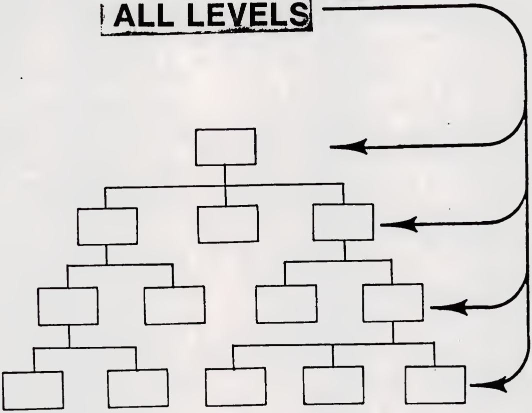


Comment (continued from other side)

I FEEL WE WILL NEVER BE ABLE TO COMPETE HEADS ON AGAINST THEM. MAYBE WE SHOULD OFFER A SMALL DISCOUNT ON GLS SO WE CAN KEEP IN THE RUNNING, WHAT DO YOU THINK?

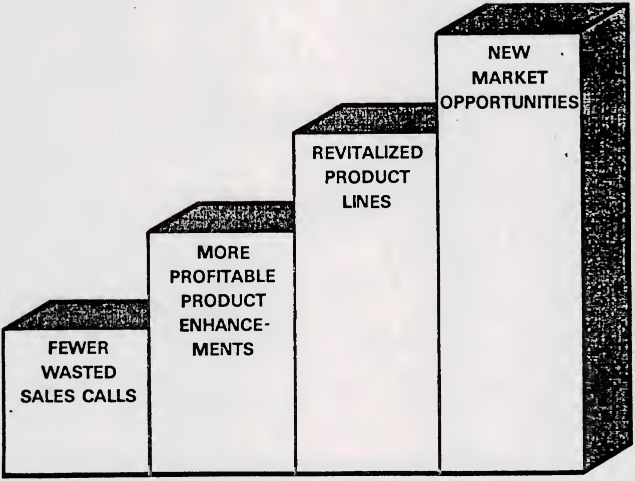
KEY TO SUCCESS —

EMPLOYEES AT ALL LEVELS



MUST MAKE DECISIONS BASED ON MARKETPLACE REALITIES

- CUSTOMER NEEDS
- COMPETITION
- COMPANY CAPABILITIES


FEWER WASTED SALES CALLS
MORE PROFITABLE PRODUCT ENHANCEMENTS
REVITALIZED PRODUCT LINES
NEW MARKET OPPORTUNITIES

Partial.
includes facts
from Met in [illegible]
= M(#)

EXHIBIT II-1

MARKETING METHODS THAT BOOST SALES

- $81 Billion Opportunity
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- The Question: How to Shift to Market-driven Strategies
- Research Scope
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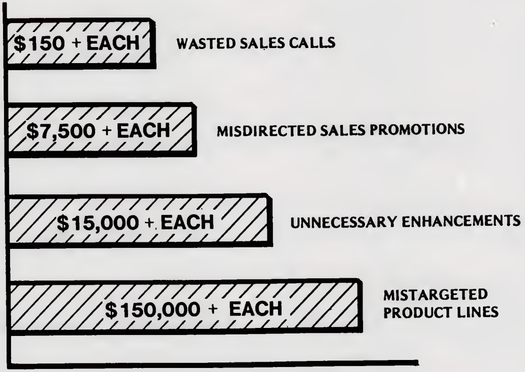
MARKET STRATEGIES CONTINUOUSLY DRIFT OFF TARGET



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  - WHAT TO SELL
  - HOW TO SELL

PRODUCT AND SALES THINKING VERSUS MARKETING THINKING

PRODUCT AND SALES THINKING	MARKETING THINKING
PRODUCT FIRST	MARKET NEEDS FIRST
SALES REVENUES	PROFIT PLANNING
TODAY, THIS MONTH	LONG TERM TRENDS, OPPORTUNITIES AND THREATS
SELL ANYONE	SEGMENT PRIORITIES
INDIVIDUAL EFFORT	GOOD SYSTEMS FOR ANALYSIS, PLANNING AND CONTROL

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  - **Ongoing Commitment**
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  - Site Audits
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- Other Actions to Consider:
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  - Reevaluate Pricing
  - Apply Latest Technologies

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  - **Early Detection**
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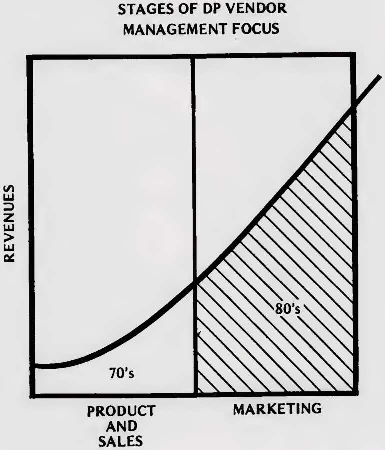
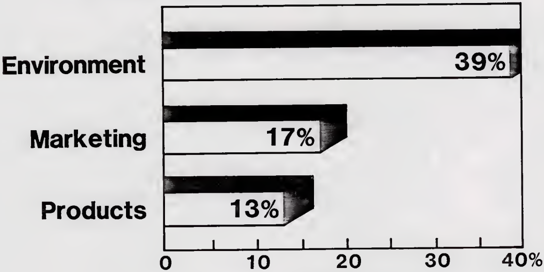
  - **Integrated Products**
  - **Early Launch**

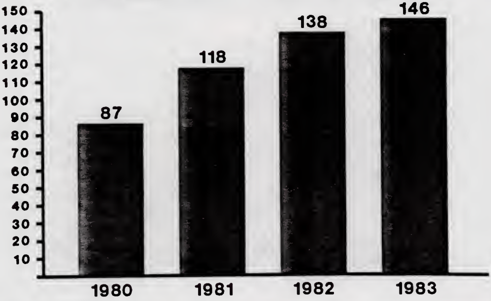
EFFECTIVE MARKETING IS THE KEY



FACTORS SUPPORTING GROWTH PROCESSING SERVICES



NUMBER OF TRANSACTIONS



	1980	1981	1982	1983
AVERAGE	7.9	6.5	3.2	6.9
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Broadview Associates

DECISION FACTOR RATINGS
(ALL CUSTOMERS)

DECISION FACTOR	RATING
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SOFTWARE	4.0
PRICE	3.8
SUPPORT	3.7
EXPERIENCE	3.4
PROXIMITY	3.1
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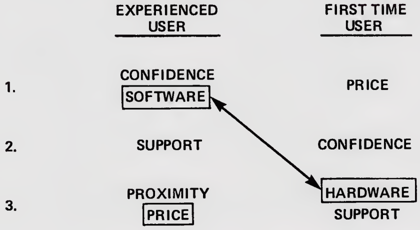
TOP 3 DECISION FACTORS BY SEGMENT



	EXPERIENCED USER	FIRST TIME USER
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2.	SUPPORT	CONFIDENCE
3.	PROXIMITY PRICE	HARDWARE SUPPORT

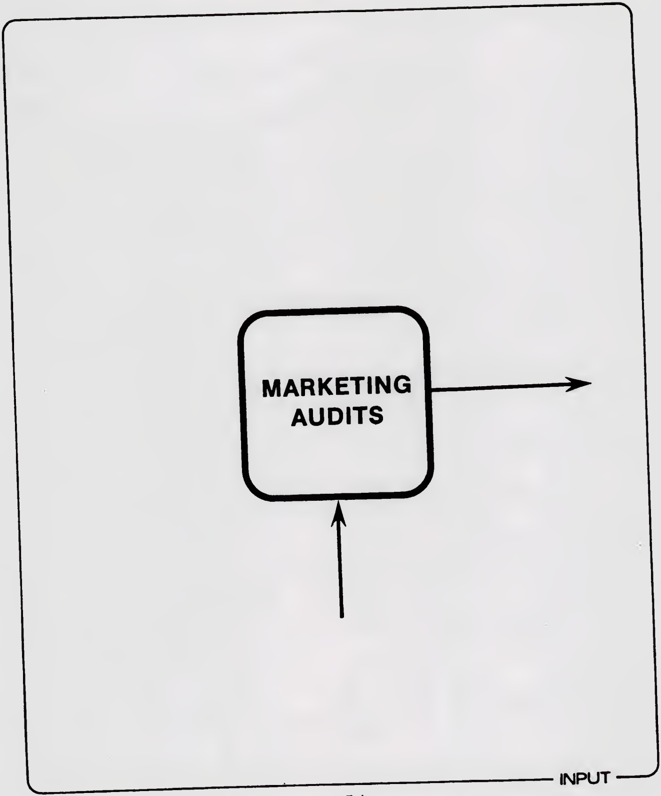
MARKETING AUDITS
INPUT

EXHIBIT V-4

CUSTOMER ANALYSIS
FACTORS LIST

PURPOSE: Our most important business decision is deciding what type of customers to pursue. The customers we actually sell to may or may not be the ones we intended to serve. Therefore, the accuracy and depth of our understanding of their characteristics is fundamental to a realistic appraisal of our opportunities.

FACTORS: An analysis of the following factors can help give us insights concerning who we are really selling and why.

A. CUSTOMER SEGMENTS
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   2. Groups

B. PRODUCT MODULES ACQUIRED

C. SATISFACTION LEVEL
   1. Product
   2. Support

D. DEGREE OF PRODUCT USE
   1. Volume
   2. Frequency
   3. User Characteristics

E. CUSTOMER'S IMAGE OF US

F. BUYING METHODS
   1. Decision Participants
   2. Buying Criteria
   3. Justification Methods

G. OBJECTIONS AND CONCERNS
   1. Most Frequent
   2. Toughest

H. DEMAND STIMULANTS

I. COMPETITORS CONSIDERED
   1. Strongest
   2. Second Strongest
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J. WHY BOUGHT FROM US INSTEAD OF COMPETITION

K. WHY BOUGHT AT TIME OF CLOSE INSTEAD OF SIX MONTHS EARLIER

L. LEAD SOURCE

M. SALESPERSON

N. CHANGES IN ABOVE CHARACTERISTICS WITHIN-
   1. Past 6 Months
   2. Past 2 Years

O. DIFFERENCES IN PLANNED VERSUS ACTUAL CUSTOMER CHARACTERISTICS

ON TARGET MARKETING$^{\text{T.M.}}$

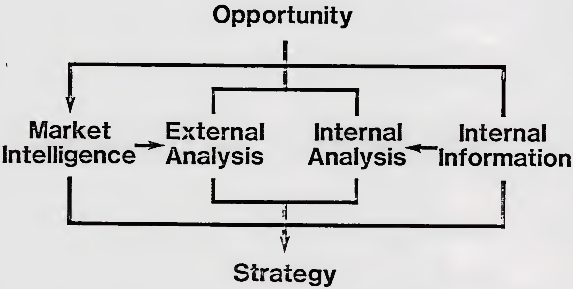
Opportunity
Market Intelligence
External Analysis
Internal Analysis
Internal Information
Strategy

EXHIBIT V-5

RATING SCALE, CUSTOMERS

TOPIC	CRITERIA	SCALE		OUR RATING
CUSTOMER SATISFACTION	Percent of customers classified as being highly satisfied with our product	Over 75%	= +2	UNKNOWN
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CUSTOMER PROFILE DATA	Percent of customers for which we have collected at least three segment variables	Over 75%	= [✓ +2]	+2
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REASONS BOUGHT	Extent to which we are aware of the primary reasons why each customer in the past 12 months has acquired our product	Have formally asked customers	= +2	
		Have asked sales person	= 0	
		Gut feel	= [✓ -2]	-2

EXHIBIT V-6

CUSTOMER ANALYSIS

WORKSHEET SUMMARY

Project GLS

Page 1

Date 3/5

CONCLUSIONS/COMMENTS

IMPACT # O T S W

100% OVER $2 BILLION

LACK BANKS, INS. CO. (REGULATED)

MIX BETWEEN HQ AND REGIONS

MOSTLY PROC. INDUSTRIES

7/20 = OIL 5/20 = AEROSPACE

MARKET SATURATED OVER $10B CO.

ACTUAL SEGMENTATION DIFFERENT FROM PERCEIVED

EVALUATION OF DATA AVAILABILITY	EXC.	[✓ GOOD]	FAIR	POOR

ISSUES TO RESOLVE/DATA NEEDED

PRODUCT IMAGE = VERY LARGE COMPANIES?

LACK OF REGULATORY FEATURES HURTS?

WHAT INDUSTRIES TCS SELL TO?

WHAT CUSTOMER NEEDS DID WE FULFILL?

CONSOLIDATION FEATURE NOT EMPHASIZED ENOUGH?

CALLING ON $1-5B CO.?

ACTION NEEDS

FURTHER SEGMENTATION OF "OVER $1 BILLION" CO.

LOST PROSPECT ANALYSIS

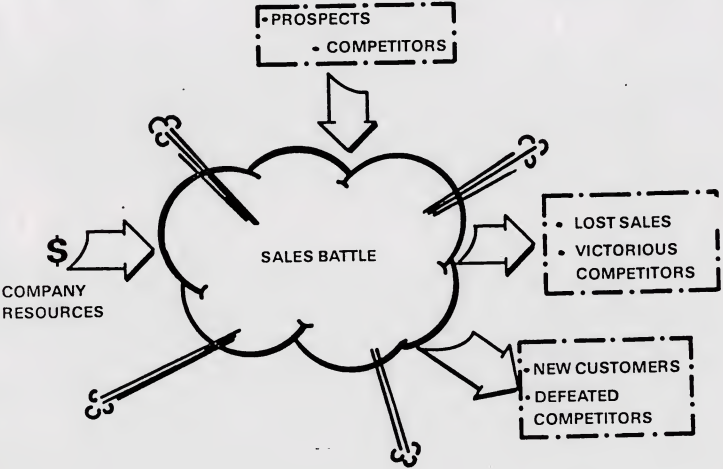
CUSTOMER NEEDS SURVEY

ANSWERS to ABOVE ISSUES

O = Opportunities, T = Threats, S = Strengths, W = Weaknesses

Form # OTM 1135

DATA-BASED DECISIONS



- PROSPECTS
- COMPETITORS

SALES BATTLE

$

COMPANY
RESOURCES

- LOST SALES
- VICTORIOUS COMPETITORS

- NEW CUSTOMERS
- DEFEATED COMPETITORS

EXHIBIT V-7

EXAMPLES OF MARKETING INFORMATION SYSTEM COMPONENTS

SOURCES

EVENT TRIGGERED

- Contact Report
- Sale
- Lost Sale
- Competitor Moves
- Prospect Identification

TIME TRIGGERED

- Annual Customer Survey
- Lost Prospect Review

EMPLOYEE TRIGGERED

- Competitor Moves
- Prospect Identification

USES

EARLY WARNING

- Product Mix Shift
- Sales Force Productivity Changes
- Sales Cycle Lengthening
- Competitor Strategy Shifts

ANALYSIS

- Promotion Effectivness
- Sales Unit Analysis
- Revenue per Person-Month
- Segment Penetration
- Competitor Strategy

MARKETING DECISIONS

- Customer Needs Selection
- Customer Group Selection
- Product Features
- Customer Support
- Sales Promotion
- Sales Tool Development
- Distribution Channels
- Pricing
- Sales Strategy

DATA ITEMS

CUSTOMERS AND LOST SALES

- Segment Variables
- Decision Criteria
- Decision Participants
- Product Use
- Competing Products
- Product Experience

PRODUCT

- Unit Sales
- Product Mix
- Sales Cycle

PROSPECTS

- Source
- Decision Participant
- Product Interest

SALES FORCE

- Unit Sales
- Product Mix
- Product Gaps
- Activity Frequency

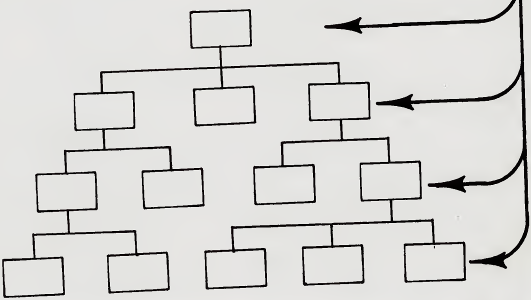
EXHIBIT II-7

RECOMMENDATIONS

- Sell Marketing
- Incorporate Characteristics of Successful Marketing Methods:
    - Top Management Support
    - Major Resource Commitments
    - Systematic Market Intelligence Gathering
    - Measurement of Results
- Use Marketing Audits to Uncover Opportunities

KEY TO SUCCESS — —

EMPLOYEES AT ALL LEVELS



MUST MAKE DECISIONS BASED ON MARKETPLACE REALITIES

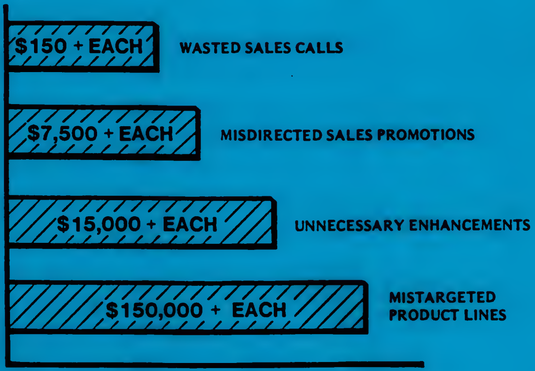
- CUSTOMER NEEDS
- COMPETITION
- COMPANY CAPABILITIES

EXHIBIT II-1

MARKETING METHODS THAT BOOST SALES

- **$81 Billion Opportunity**
- **Complex, Rapidly Changing Marketplace**
- **The Question: How to Shift to Market-driven Strategies**
- **Research Scope**
  - **Characteristics of Good Marketing**
  - **Examples**
  - **How to Recognize and Act on Opportunities**
  - **Suggested Methods, Tools, and Techniques**

MARKET STRATEGIES CONTINUOUSLY DRIFT OFF TARGET



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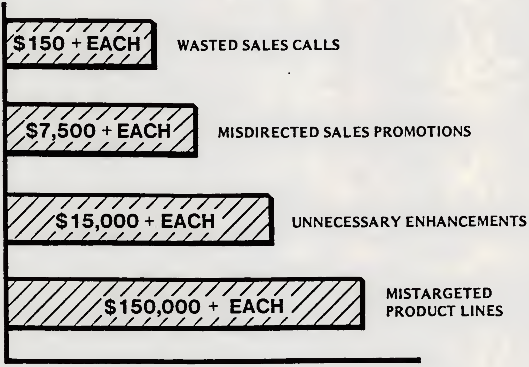

M3

IBM ?

"THE MARKETING CONCEPT"

CHARACTERISTICS

- WAY OF DOING BUSINESS
- INVOLVES
    - -CUSTOMER FOCUS
    - -LONG-TERM OUTLOOK
    - -INTEGRATED SYSTEMS
- REQUIRES COMPANY-WIDE IMPLEMENTATION

M25

MARKETING IS A DECISION PROCESS

- MARKETING IS NOT SELLING
- MARKETING IS NOT A DEPARTMENT
- MARKETING IS DECIDING - - -
    - **WHO** TO SELL
    - **WHAT** TO SELL
    - **HOW** TO SELL

PRODUCT AND SALES THINKING VERSUS MARKETING THINKING

PRODUCT AND SALES THINKING	MARKETING THINKING
PRODUCT FIRST	MARKET NEEDS FIRST
SALES REVENUES	PROFIT PLANNING
TODAY, THIS MONTH	LONG TERM TRENDS, OPPORTUNITIES AND THREATS
SELL ANYONE	SEGMENT PRIORITIES
INDIVIDUAL EFFORT	GOOD SYSTEMS FOR PLANNING AND CONTROL

PRODUCT AND SALES THINKING VERSUS MARKETING THINKING

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M30

[illegible] ~~[illegible]~~ 365 p. [illegible]

EXHIBIT II-3

DELIBERATE SALES PROMOTION STRATEGIES PAY OFF

- Today's Noisy Marketplace Demands More Aggressive Sales Promotion
- Rewards Abound
- Characteristics of Effective Sales Promotion:
  - Viewed as a Strategic Activity
  - Ongoing Commitment
  - Includes Measurement Methods

17M - 6yrs

Hogan - corp. image

BA. telemarketing

BCS - test - RIM

qualifies
- Direct Mail
- Queries
- Phone

Salescall/Se.

(70% closed

~~SE2~~

5yr - Guest Lodge

EXHIBIT II-6

CUSTOMER SERVICE IS A MAJOR MARKETING OPPORTUNITY

- **Full Revenue Potential Often Overlooked**

- **Expand Scope of Services:**
  - **Supplies**
  - **Environment Planning**
  - **Site Audits**
  - **System Consulting**

- **Other Actions to Consider:**
  - **P&L Center**
  - **Reevaluate Pricing**
  - **Apply Latest Technologies**

56% Dissatisfied w/ CS
MSA = CSP Nov = 2 60% TOT - 82

MSA - Int Int Sys
support phone
log requests

% P + L = SW Vendor
now or planned } 54%
HW = 60%

EXHIBIT II-4

EFFECTIVE PRODUCT POSITIONING DEMANDS EARLY DETECTION

- **Market Selection Decisions Are #1**
- **Strategies Vary but Results Are Dramatic**
- **Characteristics of Effective Product Positioning:**
  - **Early Detection**
  - **Explicitly Defined Strategies**
  - **Integrated Products**
  - **Early Launch**

SEI - Integration

~~RCS~~
Disc brokerage
Debit/Credit cd
Money Mkt fund

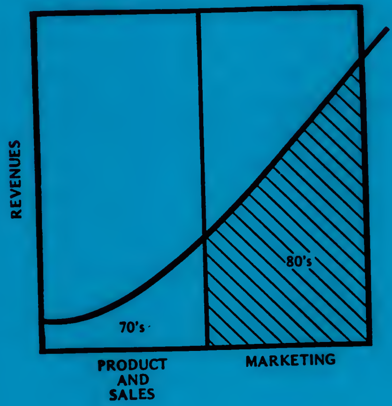
Comshare - RCS

early '81 - saw PC, MF sw
goal = support
research
  surveys
  focus groups
  studies
RCS → SW (MF, PC)
  Sys W
  Micro W
IBM JV

MSA - Exec Peachpak
saw trend early
exploited it

EFFECTIVE MARKETING IS THE KEY

STAGES OF DP VENDOR MANAGEMENT FOCUS



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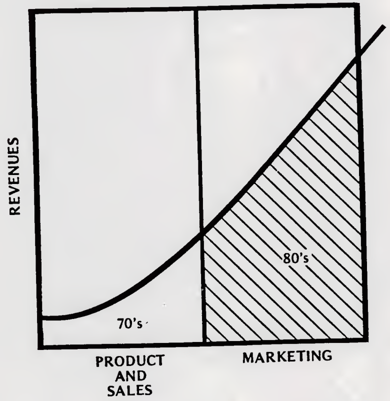
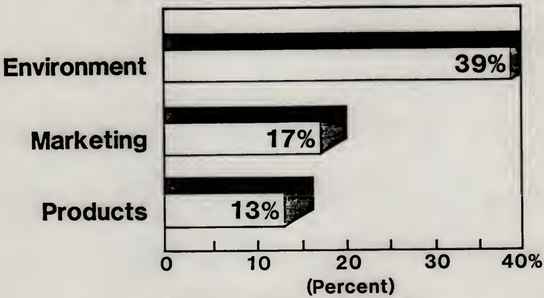


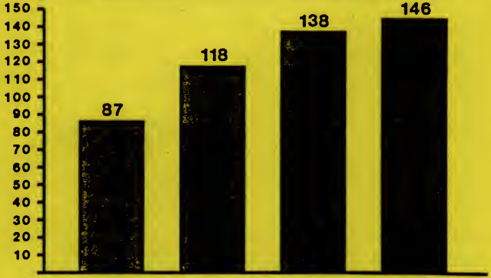
MT

KIBM

FACTORS SUPPORTING GROWTH PROCESSING SERVICES



NUMBER OF TRANSACTIONS



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Broadview Associates

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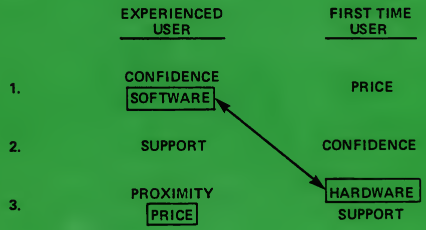
m35

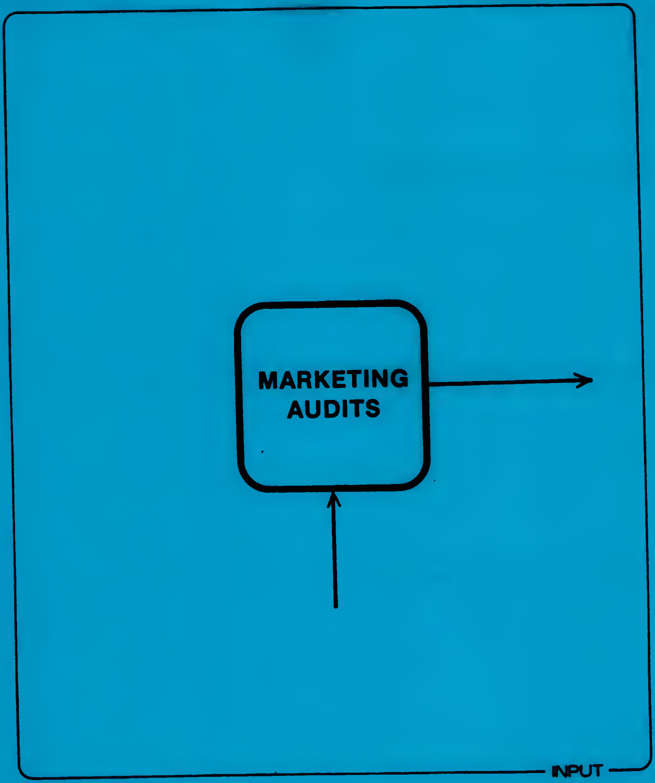
K13M

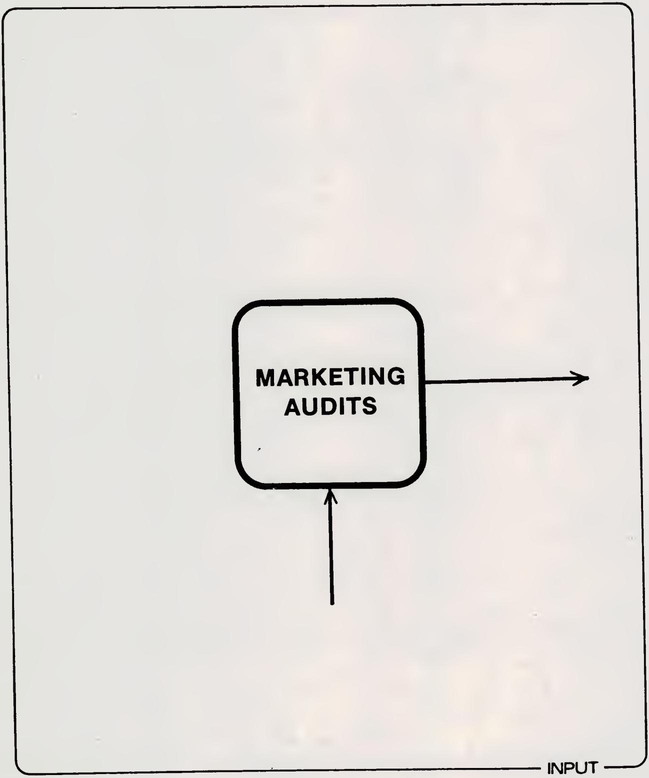
TOP 3 DECISION FACTORS BY SEGMENT



	EXPERIENCED USER	FIRST TIME USER
1.	CONFIDENCE SOFTWARE	PRICE
2.	SUPPORT	CONFIDENCE
3.	PROXIMITY PRICE	HARDWARE SUPPORT

M36

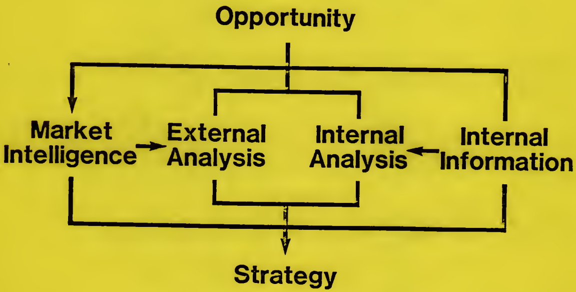

MARKETING AUDITS
INPUT


MARKETING AUDITS
INPUT

Master

Systems = Success

ON TARGET MARKETING T.M.



Opportunity

Market Intelligence → External Analysis

Internal Analysis ← Internal Information

Strategy

INPUT

EXHIBIT V-5

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EXHIBIT V-6

CUSTOMER ANALYSIS

WORKSHEET SUMMARY

Project GLS

Page 1

Date 3/5

CONCLUSIONS/COMMENTS

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100% OVER $2 BILLION

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FURTHER SEGMENTATION OF "OVER $1 BILLION" CO.

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CUSTOMER NEEDS SURVEY

ANSWERS TO ABOVE ISSUES

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Form # OTM 1135

EXHIBIT V-4

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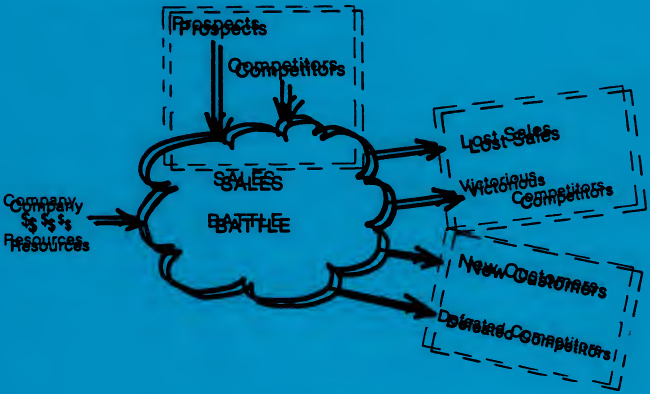
Prospects
Competitors
Company
$ $ $
Resources
SALES
BATTLE
Lost Sales
Victorious
Competitors
New Customers
Defeated Competitors

M46

Master

Client Pres.
Given to
Metier
6/84
JMK

EXHIBIT V-7

EXAMPLES OF MARKETING INFORMATION SYSTEM COMPONENTS

SOURCES

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- Sale
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- Competitor Moves
- Prospect Identification

TIME TRIGGERED

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DATA ITEMS

CUSTOMERS AND LOST SALES

- Segment Variables
- Decision Criteria
- Decision Participants
- Product Use
- Competing Products
- Product Experience

PRODUCT

- Unit Sales
- Product Mix
- Sales Cycle

PROSPECTS

- Source
- Decision Participant
- Product Interest

SALES FORCE

- Unit Sales
- Product Mix
- Product Gaps
- Activity Frequency

M49

EXHIBIT II-7

RECOMMENDATIONS

- **Sell Marketing**
- **Incorporate Characteristics of Successful Marketing Methods:**
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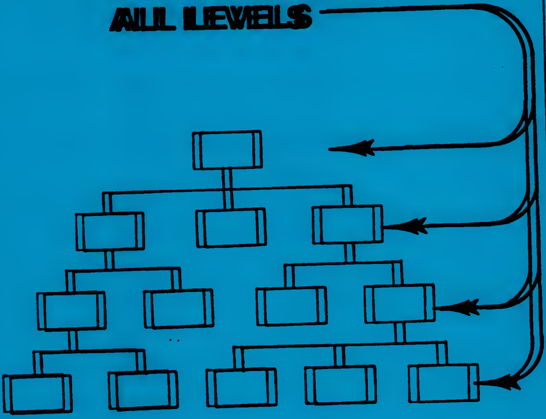
  - **Major Resource Commitments**
  - **Systematic Market Intelligence Gathering**
  - **Measurement of Results**
- **Use Marketing Audits to Uncover Opportunities**

CONTRACT MARKETING

KEY TO SUCCESS —

EMPLOYEES AT ALL LEVELS



MUST MAKE DECISIONS BASED ON MARKETPLACE REALITIES

- CUSTOMER NEEDS
- COMPETITION
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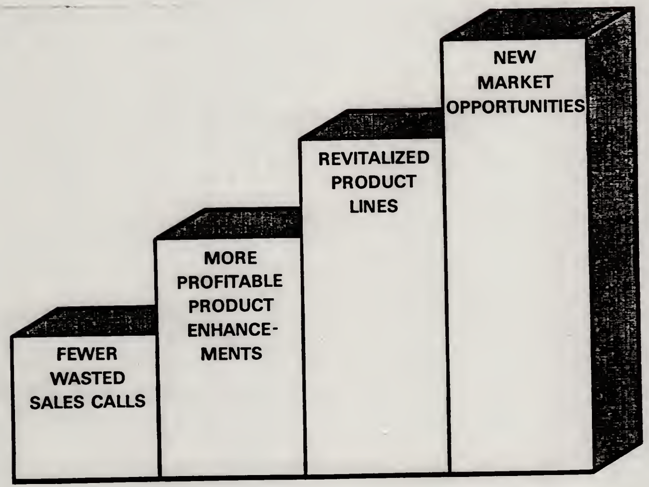
INPUT

M53 ..

Clarke



FEWER WASTED SALES CALLS

MORE PROFITABLE PRODUCT ENHANCEMENTS

REVITALIZED PRODUCT LINES

NEW MARKET OPPORTUNITIES